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**April 27, 2015**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Allegis Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (208) 529-3462. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Allegis Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Allegis Investment Advisors, LLC is 157314.**

**Allegis Investment Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you, and provide you with a description of the material changes.

Since the filing of our last Annual Updating Amendment dated January 27, 2014, we have made the following material changes:

### **Organizational**

- We are now affiliated with Allegis Investment Services, LLC ("AIS") through common control and ownership. AIS is a registered broker-dealer that retails mutual funds and variable products. Additional information about AIS is available on FINRA's BrokerCheck website. The searchable CRD number for Allegis Investment Services, LLC is 168557. For more detailed information on our affiliated entities and the arrangement we have with them, please see Item 10, *Other Financial Industry Activities and Affiliations*, of our disclosure brochure.
- Our ownership and management structure has changed. Heath Bowen and Chris Miller both have 47.5% ownership in the firm, and Peter Klaass now has 5% ownership in the firm.
- Staci Compagno was appointed as Chief Compliance Officer as of August 2014.

### **Brokerage Practices**

- We have established relationships with TD Ameritrade, Inc. and Charles Schwab & Co. ("Schwab") for custody, trade execution and clearing services, and therefore recommend that you establish an account with TD Ameritrade or Schwab when engaging our firm to manage your assets. Please see Item 12, Brokerage Practices for additional detailed information on the services provided by and benefits received from these custodians.
- We have added disclosures regarding TD Ameritrade's and Schwab's trade error policies. Specifically, if your custodian is TD Ameritrade, all net gains from trade corrections will automatically be moved to a designated TD Ameritrade Error Account on a daily basis. TD Ameritrade will subsequently donate these funds to the American Red Cross or another 501(c)(3) charity that we may designate in the future. If your custodian is Schwab, any net gain will remain in your account unless: the same error involved other client account(s) that should have received the gain; it is not permissible for you to retain the gain; or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account, Schwab will donate the amount of any gain \$100 and over to charity.

### **Fees and Compensation**

- As referenced above, certain advisory representatives with our firm are also registered representatives with Allegis Investment Services, LLC, an affiliated broker-dealer, registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees.

***Please see the Fees and Compensation section of our disclosure brochure for further information on the above changes to our fee disclosures as well as information regarding sales-based compensation earned by persons associated with Allegis Investment Services, LLC.***

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## Item 4 Advisory Business

### Description of Services and Fees

Allegis Investment Advisors, LLC is a registered investment adviser based in Idaho Falls, Idaho. We are organized as a limited liability company under the laws of the State of Idaho. Heath Bowen and Chris Miller are our principal owners.

The following paragraphs describe our services and fees. All persons authorized to provide investment advice on behalf of our firm must meet certain qualification requirements and are licensed as investment adviser representatives ("IAR") and may be referred to as "advisory representatives" or "IARs." As used in this brochure, the words "we," "our" and "us" refer to Allegis Investment Advisors, LLC and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**
- **Selection of Other Advisors**

### Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### Financial Planning Services

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term

objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

We provide the following financial planning services:

- **Financial Planning:**We will collect the pertinent data, conduct personal interviews with you, and present you with a written financial plan.
- **Specific Financial Planning:**We will collect the pertinent data, conduct personal interviews with you, and present selected report(s).
- **Hourly Financial Consultation:**We will provide financial consulting services on an hourly basis.
- **Seminar Training.**We will provide educational seminars to our clients on financial industry related matters.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Selection of Other Advisors**

As part of our investment advisory services, we may recommend that you use the services of a third party money manager ("MM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate.

### **Wrap Fee Programs**

We do not provide or sponsor any wrap fee programs.

### **Types of Investments**

We do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Therefore, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## Assets Under Management

As of January 19, 2015, we provide continuous management services for \$175,000,000 in client assets on a discretionary basis, and \$30,000,000 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Assets Under Management	Annual Fee*
Up to \$ 250,000	1.75%
\$ 250,001 - \$1,000,000	1.50%
\$1,000,001 - \$2,000,000	1.25%
\$2,000,001 and Up	Negotiable

### \*Options Strategies

All accounts that incorporate options trading strategies will be charged a flat fee of 2.5% on the asset under management. Our fee rate for these types of accounts is due to the complexity of, and the expertise required for, option management strategies compared to strategies used to manage other securities such as equities, mutual funds etc. The management of options requires more frequent trading and often times more client contact. The client agreement you sign clearly indicates the higher fee for management of options should you choose that service. Fees charged for incorporating options strategies may be higher than fees charged by other advisers. If an account incorporates both options and traditional asset allocation strategies a blended fee may apply.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

You may pay us directly for our services. In which event, the fee is due and payable upon receipt of our billing invoice. Or, you may also choose to have us deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

### **Financial Planning Services**

We charge an hourly fee of \$150 for financial planning services. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. In the event that the service takes less time than estimated, you will only be billed for the actual time spent preparing the financial plan and you will receive a prorated refund of any pre-paid advisory fees that we have not earned.

Fees for Seminars start at \$39 per seminar and include all training materials. Fees for seminars are paid at the time of attendance and are not refundable.

Fees are due at the inception of the advisory relationship. We do not require prepayment of a fee more than six months in advance and in excess of \$1,200.

Either party may terminate the financial planning agreement within five days of the date of acceptance without penalty to you. Thereafter you will incur a pro rata charge for bona fide advisory services actually rendered prior to such termination. After the five-day period, either party may terminate the Agreement by providing written notice to the other party. Upon termination, any prepaid fees will be pro rated to the date of termination and any *unearned* portion thereof will be refunded to you.

### **Selection of Other Advisers**

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the MM. The advisory fee you pay to the MM is established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each MM and ranges from 0.75% to 1.25%. As such, a conflict of interest exists where our firm or persons associated with our firm has an incentive to recommend one MM over another MM with whom we have more favorable compensation arrangements or other advisory programs offered by MMs with whom we have less or no compensation arrangements.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. For assets managed at TD Ameritrade, we do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should



review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Certain advisory representatives with our firm are also registered representatives with Allegis Investment Services, LLC, an affiliated broker-dealer, registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees.

Similarly, certain advisory representatives of our firm are also licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

These affiliations and arrangements present a conflict of interest because advisory representatives who are also registered representatives of our affiliated broker-dealer or licensed insurance agents have an incentive to recommend securities and/or insurance products for the purpose of generating commission-based income rather than solely based on your needs. **However, you are under no obligation, contractually or otherwise, to purchase recommended securities products through our affiliated broker-dealer. You may purchase such investment products through unaffiliated brokers if you choose. We will disclose to you when recommendations could result in commission-based compensation.**

At our discretion, we may offset our advisory fees to the extent our advisory representatives earn commissions in their separate capacities as registered representatives and/or insurance agents.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.



## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

- **Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

- **Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

- **Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

- **Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it. Listed below are just a few of the more common types of investments and some of the risks associated with them.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In very general terms, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Options and warrants give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months.

## **Item 9 Disciplinary Information**

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

## **Item 10 Other Financial Industry Activities and Affiliations**

As previously disclosed, certain advisory representatives are also licensed to offer or sell securities through Allegis Investment Services, LLC ("AIS"), an affiliated broker-dealer. AIS is a registered broker-dealer that specializes in the retail of mutual funds and variable products. Additional information about AIS is available on FINRA's BrokerCheck website. The searchable CRD number for Allegis Investment Services, LLC is 168557.

We are also affiliated with Allegis Insurance Agency, Inc. dba Allegis Advisor Group and Allegis Investment Services, LLC through common control and ownership.

Persons providing investment advice on behalf of our firm are licensed as insurance agents with Allegis Investment Advisor Group and registered as representatives with Allegis Investment Services, LLC. These persons will earn commission-based compensation for selling insurance and/or securities products, including 12b-1 fees for the sale of investment company products.

These arrangements present a conflict of interest because these persons recommend insurance or securities products generating commissions rather than solely based on your needs. While we believe that the fees charged by our affiliates are competitive, such fees may be higher than fees charged by other firms providing the same or similar services.

However, you are under no obligation, contractually or otherwise, to purchase such products through any person affiliated with our firm. Advisory representatives of our firm spend on average 20% of their professional time acting as product representatives/agents.

**All sales-based compensation is separate and in addition to our advisory fees. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by securities and insurance agents who are affiliated with our firm.**

#### **Recommendation of Other Advisers**

We may recommend that you use a third party money manager ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

#### **Participation or Interest in Client Transactions**

Neither our firm nor any of our related persons have any material financial interest in client transactions beyond the provision of investment advice and recommendations as disclosed in this brochure.

#### **Personal Trading Practices**

We may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that firm employees shall not have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We maintain relationships with multiple custodians/brokerage firms, and we will typically recommend that you establish an account with TD Ameritrade, Inc. ("TD Ameritrade") and/or Charles Schwab & Co., Inc. ("Schwab") member SIPC for custody, brokerage and trade execution.

We believe that the brokerage firms we recommend provide quality execution services for our clients at competitive and reasonable prices. While price is very important, it is not the sole factor we consider in evaluating overall best execution. We also consider and evaluate the quality of the custodial and brokerage services, including the firm's reputation and financial stability, execution capabilities, commission rates,

technology, and responsiveness to our clients and our firm. The reasonableness of commissions/fees is based on several factors, including the broker's ability to provide volume discounts, execution price negotiations, prompt advisor support, and other services.

Currently, as a registered investment advisor we are able to leverage our relationships with these custodians to better serve our clients. Specifically, we have access to dedicated service and operations teams within TD Ameritrade and Schwab and other specialty support teams via their institutional platforms, that are not available to the public at large. As such, we may receive some additional benefits from TD Ameritrade and Schwab through our participation in their institutional programs.

#### **Research and Other Soft Dollar Benefits**

We do not receive any soft dollar benefits from any broker-dealer.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research. However, we may receive benefits such as assistance with conferences and educational meetings from product sponsors.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

#### **Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment. When we do not block trade, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may therefore pay higher commissions, fees, and/or transaction costs than other clients.

### **Item 13 Review of Accounts**

Your advisory representative will monitor your accounts on a periodic basis and will conduct a formal account review no less than annually to ensure the advisory services provided to you and/or that the portfolio mix is consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

You will receive periodic reports from our firm and/or from your account custodian.

We will review your financial plan only at your request. Otherwise, we do not review your financial plan. At your request, we may meet with you and/or your third-party money manager(s) to discuss asset allocation, but we will not make recommendations regarding specific investments or provide any regular written reports to you. If decide to implement the financial plan through us, we may waive charges for plan updates.

## **Item 14 Client Referrals and Other Compensation**

Currently, we do not compensate any individual or firm for client referrals.

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Program and Schwab's Institutional program, "Schwab Advisor Services." There is no direct link between our participation in the programs and the investment advice we give to our clients, although we receive economic benefits through our participation in the programs that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to block trading; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors.

Some of the products and services made available through the program may benefit our firm but may not benefit all our client accounts directly. The benefits received by our firm through participation in the programs do not depend on the amount of brokerage transactions directed to brokerage firm. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm in and of themselves creates a potential conflict of interest and may indirectly influence our choice for custody and brokerage services.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.



You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

Unless you direct us otherwise in writing, you will be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by you shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not require the prepayment of more than \$1,200 in fees more than six months in advance. Additionally, although we have custody, this custody is solely due to the direct withdrawal of fees. Moreover we do have discretionary authority. Consequently, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. We do not have any such financial condition. Finally, neither the firm nor any of our management persons have ever filed any bankruptcy petitions.

## **Item 19 Requirements for State-Registered Advisers**

Our firm is federally registered therefore this section is not applicable.



## Item 20 Additional Information

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

If your custodian is TD Ameritrade, all net gains from trade corrections will automatically be moved to a designated TD Ameritrade Error Account on a daily basis. TD Ameritrade will subsequently donate these funds to the American Red Cross or another 501(c)(3) charity that we may designate in the future.

If your custodian is Schwab, any net gain will remain in your account unless: the same error involved other client account(s) that should have received the gain; it is not permissible for you to retain the gain; or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account, Schwab will donate the amount of any gain \$100 and over to charity.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.